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FOR IMMEDIATE RELEASE:

**CARMEL BUSINESSMAN SENTENCED TO 57 MONTHS IN
FEDERAL PRISON FOR MAIL FRAUD SCHEME TO
DEFRAUD EMPLOYEES AND FAILURE TO PAY
EMPLOYEES' WITHHOLDING TAXES TO THE IRS**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that SERGIO BUEZO, 40, Carmel, Indiana, was sentenced to 57 months imprisonment today by U.S. District Judge Sarah Evans Barker following his guilty plea to mail fraud and failure to pay employee withholding taxes. This case was the result of a one year investigation by the Department of Labor, Internal Revenue Service, Immigration and Customs Enforcement, Social Security Administration, Indiana State Police, Indiana Workforce Development, and the Carmel Police Department.

BUEZO pleaded guilty to charges involving his ownership and operation of Bayou Abatement, a company that did disaster reconstruction work including hurricane reconstruction

in Florida. Bayou Abatement hired employees to travel to Florida, paid the employees hourly wages and purported to withhold employees' income and social security taxes. BUEZO withheld the taxes, but did not account for and remit the federal taxes to the Internal Revenue Service. Bayou was required to pay unemployment compensation taxes and establish an account with the Indiana Workforce Development to be used to pay unemployment compensation to former Bayou Abatement workers. Bayou did not register with the state or pay into the unemployment compensation fund. Bayou recruited employees in Indianapolis to work in Florida and other areas in the southern part of the United States, promising them certain wages if they traveled to the work area. When the employees arrived to work, Bayou paid them less than they had been promised per hour when they were recruited in Indianapolis. BUEZO spent approximately \$1,400,000 that should have been paid to state and federal agencies on personal expenses including mortgage payments, 4 automobiles, a boat, a swimming pool, home improvements and jewelry. All of the assets including BUEZO's personal residence were seized or are subject to a restraining order. The plea agreement provides that the assets will be sold to pay the taxes BUEZO failed to pay and to pay other liabilities incurred by BUEZO as a result of the criminal conduct.

Gordon S. Heddell, Inspector General of the Department of Labor, stated: "This sentencing highlights my agency's commitment to investigate individuals who exploit the rights of workers and fail to pay unemployment taxes. I would like to commend the other law enforcement agencies that successfully worked together in order to combat this criminal activity."

In sentencing BUEZO, Judge Barker told BUEZO that the harm caused by his criminal conduct was “staggering.” U.S. Attorney Brooks stated: “We hope that this sentence of fifty-seven (57) months to a business owner who failed to pay taxes, particularly employee withholding taxes, sends a strong message that business owners must take care of their employees before they take care of themselves.”

According to Assistant United States Attorney Donna R. Eide, who prosecuted the case for the government, Judge Barker also imposed 2 years’ supervised release following BUEZO ’s release from imprisonment. During the period of supervised release, BUEZO was ordered to make restitution in the amount of \$ 871,042.49 to the IRS in addition to cooperating with the IRS in assessment and collection of civil taxes and penalties. BUEZO was also ordered to pay \$100,000 to the Indiana Workforce Development.

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